

COMMITTEE ON ENERGY AND COMMERCE OVERSIGHT PLAN

U.S. HOUSE OF REPRESENTATIVES

107TH CONGRESS

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Rule X, clause 2(d) of the Rules of the House requires each standing Committee to adopt an oversight plan for the two-year period of the Congress and to submit the plan to the Committees on Government Reform and House Administration not later than February 15 of the first session of the Congress.

This is the oversight plan of the Committee on Energy and Commerce for the 107th Congress. It includes the areas in which the Committee expects to conduct oversight during the 107th Congress, but does not preclude oversight or investigation of additional matters as the need arises.

COMMERCE, TRADE, AND CONSUMER PROTECTION ISSUES

CONSUMER PRIVACY

One of the primary concerns of on-line users is the protection of sensitive consumer information collected and transmitted over the Internet or other computer networks. As increasing numbers of consumers interface with the Internet to conduct electronic transactions, there are concerns that personal information collected by web sites, such as sensitive medical or financial information, may be misused or poorly protected. To alleviate these concerns, the private sector has undertaken self-regulatory efforts to create enforceable standards to protect the privacy of its customers. The Committee will examine existing privacy protections, evaluate the efforts of the private sector and the Federal Trade Commission to promote greater consumer privacy, and assess potential options to increase the privacy protections afforded the users of Internet and other electronic networks.

Further, international privacy efforts, like the European Union Privacy Directive, are having an impact on U.S. Internet companies and American consumers. Privacy policies developed worldwide may be creating de facto standards for the U.S. The Committee plans to examine the international implications of on-line privacy, its impact on American society, and international coordination efforts.

TIRE/VEHICLE SAFETY

During the 106th Congress, the Committee's oversight of the Firestone tire recall matter led to the passage of legislation mandating that the National Highway Traffic Safety

Administration (NHTSA) institute rulemakings to require the submission of data on safety-related problems, claims, and lawsuits (whether foreign or domestic) from manufacturers of products within NHTSA's purview, including tires and vehicles. The new law also requires that NHTSA update its standards for tires and tire testing. The Committee intends to continue its review of tire/vehicle safety issues during the 107th Congress, as well as NHTSA's implementation of these legislative provisions.

FILTERING/BLOCKING TECHNOLOGIES

While the Internet opens doors to a world of information that was not available in the analog world, it also makes available pornography and other material that may be inappropriate for children. Congress recently enacted legislation to promote the use of filtering and blocking technologies for those entities that receive Federal funds under specific programs. The Committee will look into how these filtering and blocking technologies are implemented at the Federal level. Additionally, the Committee will evaluate the effectiveness of differing filtering and blocking technologies.

TELEMARKETING

Telemarketing has been, and continues to be, a controversial marketing practice. While telemarketing can provide benefits for consumers, it also can be an intrusive nuisance and promote consumer confusion. In some instances, rogue telemarketers can take advantage of this confusion to commit fraud against consumers, particularly against senior citizens. The Committee plans a general examination of telemarketing practices in light of existing law, and the range of potential safeguards to protect the privacy, safety, and pocketbooks of consumers. The Committee will also look at current enforcement and regulatory practices by the Federal Communications Commission and the Federal Trade Commission. Further, the Committee will examine the practices of some telemarketers to evaluate their harm to consumers and society.

FEDERAL TRADE COMMISSION INVOLVEMENT IN HIGH TECH AND OTHER POLICY AREAS

While the Federal Trade Commission (FTC) has authority to protect consumers from deceptive practices and advertising over various mediums, including the Internet and electronic networks. The Committee plans to review the FTC's exercise of its authority in the high tech and e-commerce areas, as well as in other areas within the Committee's jurisdiction, such as energy policy, healthcare policy, and the regulation of food and drugs.

VIOLENT CONTENT IN THE MEDIA AND MARKETING TO CHILDREN

Over the past few decades, American media outlets have increased the amount of violent content, including gratuitous violence, within the overall programming offered to consumers. A number of recent studies detailing the effects media violence has on American society, especially on children, have concluded that there may be a link between the violent nature of media content

and violent behavior. In addition, while opinions vary, the popular view today is that media violence does, in some way, influence impressionable young viewers. The Committee intends to review the practices and policies of all media sources, including television, motion pictures, audio recordings, video games, radio, and the Internet, to evaluate differing approaches to violent content. The Committee will review existing studies on the effects of media violence to determine their accuracy and methodology. Further, the Committee plans to examine the reasons for the inclusion of increased violent content in media programming, and different ways to empower parents to protect their children from such content.

In addition, the Committee will continue to closely monitor the Federal Trade Commission's work in the area of marketing of violent media content to children by the entertainment industry, and its efforts to promote industry self-regulation in this area.

INTERNATIONAL TRADE

The Committee will continue its efforts to monitor and examine World Trade Organization (WTO) agreements and activities affecting important segments of the U.S. economy, such as telecommunications, electronic commerce, food and drugs, the services industry, and commerce with foreign countries generally. The Committee also will continue to review the efforts of other nation's to comply with their trade obligations and open their markets to American companies, products and services.

Pursuant to the Omnibus Trade and Competitiveness Act of 1988, the United States Trade Representative (USTR) reviews and requests comment on the operation, effectiveness, and implementation of international telecommunications trade agreements. USTR will release its annual assessment of these trade agreements on March 31, 2001. In order to evaluate the impact on the U.S. telecommunications industry, the Committee plans to examine the USTR's assessment of the international telecommunications trade, and review whether these trade agreements are being properly implemented. Further, the Committee will examine the issue of foreign government ownership and overall foreign ownership of U.S. telecommunications companies to determine whether existing law and policy in these areas needs to be changed.

TELEPHONE CALLING CARD PRACTICES AND RATES

Over the last few years, the telecommunications industry has undergone considerable change with the advent of new services, products, and rate plans by telecommunications companies. Telephone calling cards are one example of a relatively new telecommunications service that has become extremely popular with consumers. Telephone calling cards offered by or in partnership with telecommunications providers are very attractive to consumers because of their convenience and ease of operation. However, many consumers have found frustration and disappointment with exorbitant telephone rates, lack of information on policies and practices with respect to service and rates, and poor customer relations services. The Committee plans to review the use and potential abuses of these telephone calling cards to ensure adequate consumer protections.

HOTEL/MOTEL TELEPHONE CALLING RATES

The excessive rates, added charges, and lack of choice of telephone service in certain hotels and motels is an increasing problem for consumers, who in essence are a captured audience. These charges often include operator assistance fees and access charges to a long distance company. This problem can be exacerbated with increased use of the Internet by hotel and motel guests. The Committee plans to examine the excessive rates, added charges, and lack of choice for telecommunications service in certain hotels and motels.

LIABILITY REFORM

The Committee will continue to examine the need for further liability reform in a number of areas, including medical malpractice, product liability, and punitive damages generally. The Committee also will examine the proper relationship of Federal reform efforts to State laws, and the benefits and disadvantages of various models of liability reform.

THE CONSUMER PRODUCT SAFETY COMMISSION

The Committee will continue to review the management, operations, and activities of the Consumer Product Safety Commission in safeguarding consumers, and particularly their children, from faulty or dangerous products. In particular, the Committee will review the adequacy of the CPSC's data gathering and dissemination efforts with respect to products within its jurisdiction.

FTC CYBER SECURITY

The FTC, as a law enforcement and regulatory body, is privy to sensitive and proprietary information provided by the parties it regulates. Further, the Commission generates vast amounts of internal documents, many of which are law-enforcement sensitive. Accordingly, protection of the FTC's computer networks and non-public data is important to ensure that this information is not accessed by or shared with unauthorized parties. The Committee will examine what steps the Commission takes to protect the integrity and security of its network systems and confidential data, and whether further efforts in this area are necessary.

CYBER SECURITY AT THE DEPARTMENT OF COMMERCE

In June 1999, the Committee initiated a review of cyber-security policies and practices at the Department of Commerce. The Committee also requested last year that the General Accounting Office conduct a more comprehensive review of computer security practices at the Department, which is now underway. In the 107th Congress, the Committee will continue to review cyber security at the Department and evaluate the findings of GAO's work.

IMPLEMENTATION OF GOVERNMENT-WIDE CYBER-SECURITY PROGRAM

Pursuant to Title 14 of the Defense Authorization Act of 2001, enacted in October 2000, the OMB Deputy Director of Management was provided substantial new authority and responsibilities to ensure that computer and information resources maintained by the Federal government are protected from cyber-attacks, viruses and other threats. The Deputy Director's responsibilities include enhancing government-wide policies for computer security, overseeing the development of Federal agency security plans, as well as reviewing the results of Federal agency efforts to conduct vulnerability assessments and penetration tests of their computer defenses. Under the law, each agency is required to develop comprehensive information security plans and conduct internal vulnerability audits. These audits must also be subject to external verification. In the 107th Congress, the Committee will review the efforts of Federal agencies within its jurisdiction to comply with the new government-wide cyber-security law.

CRITICAL INFRASTRUCTURE ASSURANCE ACTIVITIES

In 1997, the President's Council on Critical Infrastructure Protections recommended that the Federal government initiate increased efforts to ensure that critical infrastructures within the United States, including the electric power grid, telecommunications and transportation systems, and water supplies, are adequately secure from threats posed by malicious actors, foreign governments, and terrorists. Partially in response to this report, the President issued Presidential Decision Directive 63 and created the Critical Infrastructure Assurance Office, which is currently housed within the Department of Commerce. In addition, the President formed the National Infrastructure Assurance Council (NIAC) to provide advice on various infrastructure assurance efforts. The Committee has closely followed the efforts to improve critical infrastructure protections, and, in the 107th Congress, the Committee intends to continue to review infrastructure assurance efforts that affect areas within the Committee's jurisdiction.

ON-LINE AUCTIONS

The Committee will examine the conduct of on-line auctions for goods and services. It will examine the effectiveness of these auctions in fulfillment of customer orders, the transparency of pricing, protection of consumers from abusive practices like shilling, and the treatment of items of value generated as part of auction sales (such as market data). The Committee will examine whether legislation is needed specifying the obligations of auctions to consumers and third parties.

ACCOUNTING RULES AND INTERPRETATIONS

The Committee seeks to ensure that the Financial Accounting Standards Board's (FASB) private-sector standard setting process that develops changes to accounting rules for U.S. companies is independent, open and thorough, and results in unbiased financial information that reflects economic reality and promotes transparency. The Committee will conduct oversight of

existing accounting rules and proposed changes to examine the effect that the rules have on transparency, as well as on the domestic and global competitiveness of U.S. companies. Additionally, the Committee understands the value of high-quality international accounting standards and will monitor the progress of the newly-established London-based International Accounting Standards Board. To the extent that such a single set of accounting standards could be accepted worldwide, especially by major countries, it would reduce the compliance costs for multinational companies and make it easier for investors to compare companies in different countries.

The Committee will examine the independence and standard setting process of FASB, including the ongoing FASB deliberations on the treatment of mergers and acquisitions. The Committee will explore how the disclosure of information related to the creation of value in businesses and capital markets, including intangible items like knowledge and software, can be improved. In addition, the Committee will seek to determine the extent to which the Federal regulatory agencies use interpretive or similar authority to provide guidance on existing accounting rules and regulations to registrants.

GOVERNMENT-FORCED DIVESTITURES

The Committee will examine the effects on competition and domestic and international commerce of government-forced divestitures or other restrictions placed upon business activities. The Committee will examine whether Federal agencies have acted in such manner outside the scope of their Federally-granted authority or without sufficient economic analysis.

ENERGY AND AIR QUALITY ISSUES

NATIONAL ENERGY POLICY

Over the past year, energy consumers have experienced a significant increase in oil and natural gas prices. Oil and gasoline prices have risen dramatically from historically low levels in 1999. Natural gas prices have more than tripled in some areas. In addition, several regions also have seen increased electricity prices and diminished reliability. During the 107th Congress, the Committee will continue to examine some of the factors that have led to these price increases and reliability concerns. The Committee also will undertake an examination of national energy policy, examining U.S. policies as they relate to the production and consumption of electricity, oil and natural gas, coal, hydroelectric power, and nuclear power. The Committee also will review the outlook for new power plant construction in the U.S., and the impact state and Federal regulations and other regional constraints have on the timing and cost for new power plant construction.

EVALUATION OF STATE RETAIL RESTRUCTURING PLANS

As many as 26 States have enacted legislation implementing retail competition in electricity markets. The Committee will examine key aspects of the various state restructuring

programs to determine whether these programs have resulted in consumer benefits and improved interstate electricity markets.

THE CALIFORNIA ELECTRICITY CRISIS

The Committee will continue an in-depth examination of the California electricity crisis and the attempts to resolve the crisis by the Department of Energy, the Federal Energy Regulatory Commission, the California State Legislature, the California Public Utilities Commission, utilities, and other market participants. The Committee will conduct oversight to examine the causes of the crisis and look for long-term solutions to ensure that electricity consumers have access to reliable and affordable electricity.

RELIABILITY OF THE NATIONAL POWER GRID

The California electric power crisis and other power constraints in the Western U.S. highlight an increasingly important issue: the reliability of the national power grid. Electric power supply problems experienced by the Mid-west and New York State over the past few summers also raise serious questions about the reliability of the national grid. As the reliability of the grid is essential to our national economic strength, the Committee will closely examine the current state of the national power grid.

INCREASING U.S. ENERGY SECURITY

The Committee will examine the impact government policies are having on the exploration, production and development of domestic energy resources. The Committee also will look at the Department of Energy's Office of Fossil Energy to ensure that its programs and resources are being directed to the areas of greatest need within the domestic petroleum industry. In addition, the Committee will examine other issues relating to the nation's current energy infrastructure and how it can be enhanced.

VIABILITY OF THE DOMESTIC URANIUM INDUSTRY

The electricity generated at 104 domestic nuclear power plants provide approximately 20% of the country's total electricity supply. Thus, the maintenance of a viable domestic uranium industry -- the source of fuel used in nuclear power plants -- is necessary for the country's energy security. Due to a recent worldwide oversupply of enriched uranium, the domestic uranium industry (which includes uranium mining, conversion, and enrichment service providers) has suffered a severely depressed market that threatens its future viability. The Committee will continue the review it began in the 106th Congress of the crisis facing the domestic uranium industry, and the impact further deterioration could have on domestic energy security.

THE STRATEGIC PETROLEUM RESERVE

Last year, the Secretary of Energy released 30 million barrels of oil from the Strategic

Petroleum Reserve, despite the lack of an oil shortage. In the 106th Congress, the Committee began an examination of the use of the Strategic Petroleum Reserve in non-shortage situations. The Committee also began an examination of the bidding process used by the Department to sell the oil from the Reserve. During the 107th Congress, the Committee will continue its examination of the appropriate uses of the Strategic Petroleum Reserve.

CLEAN COAL TECHNOLOGIES

With the quadrupling of natural gas prices and the continuous increase in demand for natural gas, the Committee will examine the availability and efficacy of other energy sources. One such source, which is abundant in the U.S., is coal. The Committee will review recent technological advances making "clean-coal" possible. In the very recent past, some of these technologies have begun to attract private capital. Still, many of those technologies have yet to reach economic viability for various reasons. The Committee will examine whether the government has a role in the expedited deployment of "clean-coal" technologies.

NATURAL GAS AND HAZARDOUS LIQUID PIPELINE SAFETY PROGRAMS

The natural gas and hazardous liquid pipeline safety programs are due for Congressional renewal. Pipeline accidents over the past several years indicate a need to review the efficacy of the existing programs. The Committee will look at the existing pipeline safety programs and determine how they should be updated and modified.

GLOBAL CLIMATE CHANGE

The Committee will continue to monitor international negotiations on global climate change. The Committee review will consider whether international agreements are achievable, effective, and fair to U.S. interests. The Committee also will consider whether the agreements on climate change are scientifically well-grounded and economically sound. The Committee also will review the components of the Global Change Research Program and the Climate Change Technology Initiative to ensure compliance with Congressional intent and guidance.

THE FEDERAL ENERGY REGULATORY COMMISSION

The Federal Energy Regulatory Commission (FERC) regulates electric utilities, hydropower facilities, and natural gas and oil pipelines. The Committee will review how FERC discharges these responsibilities, in light of sweeping changes in the industry. Some of the specific areas the Committee may examine are FERC's implementation of Order 2000 on Regional Transmission Organizations, and its series of orders regarding the California electricity program. The Committee also will examine FERC's procedures concerning the construction of interstate natural gas pipelines and the relicensing of hydropower facilities.

GENERAL MANAGEMENT OF THE DEPARTMENT OF ENERGY

The Committee will continue to conduct oversight of the Department of Energy (DOE),

including the National Nuclear Security Administration, to ensure improvements in management of the Department and its many contractors.

DOE'S BUDGET REQUEST

The Committee will review the Department of Energy's (DOE) budget requests for Fiscal Year 2002 and 2003. The Committee will examine the DOE budget requests and determine whether they are consistent with the Committee's priorities.

DOE'S MANAGEMENT OF THE NATIONAL LABORATORIES

The Committee will continue to examine whether DOE is effectively managing the contractors that operate the national laboratories. The Committee will review proposals to improve management of the labs and other related matters.

DOE'S SECURITY AND NON-PROLIFERATION PROGRAMS

During the 106th Congress, the Committee conducted extensive oversight of security matters at DOE sites, particularly the national nuclear weapon laboratories. The Committee will continue to conduct such oversight in the 107th Congress to ensure that continuing improvements are made in the protection of such critical national assets. The Committee also will review DOE's various nuclear non-proliferation programs to determine their effectiveness.

CYBER SECURITY AT DOE HEADQUARTERS

The Committee's past oversight in this area revealed that the Department's own headquarters offices have not yet implemented the computer security upgrades and policy changes DOE required of its contractors over the past two years. DOE pledged to promptly improve cyber security policies and practices at its own headquarters to better protect classified information on its network systems. In the 107th Congress, the Committee will review the Department's activities in this regard.

NUCLEAR SAFETY AT DOE FACILITIES

As a result of the Committee's oversight of nuclear safety matters at DOE facilities in the 106th Congress, the Department issued new regulations to improve its nuclear safety program and further protect workers engaged in nuclear activities. The Committee will continue its oversight of DOE's implementation of nuclear safety regulations for its contractor employees. As part of this review, the Committee will closely monitor the National Nuclear Security Administration's (NNSA) efforts to coordinate with the Office of Environment, Safety, and Health to ensure that investigations are initiated and enforcement actions are taken whenever nuclear safety violations occur at facilities managed by NNSA.

DOE'S OFFICE OF ENVIRONMENTAL MANAGEMENT

The Committee will continue its review of several major nuclear waste cleanup projects managed by DOE's Office of Environmental Management (EM). Major projects such as the Hanford Spent Nuclear Fuel Project, the Hanford Radioactive Tank Waste Program, and the Oak Ridge K-25 Decommissioning Project have experienced severe cost and schedule problems revealed by the Committee in the 105th and 106th Congresses. These and other major cleanup projects and policies will be monitored by the Committee in the 107th Congress to ensure that DOE proceeds in a timely and effective manner to reduce these environmental threats.

DOE'S OFFICE OF SCIENCE AND TECHNOLOGY

The Office of Science and Technology (OST) was created by DOE in response to a Congressional directive in 1989 to begin a program to fund the development of innovative environmental technologies that will make DOE's cleanup activities faster, cheaper, and safer. However, the Committee's review of OST in the 105th Congress revealed that few technologies developed by OST have been deployed, in part due to OST's ineffective management, poor technology selection and review, and lack of integration with DOE's cleanup program offices. As a result of the Committee's ongoing review through the 106th Congress, some improvements in the OST program and an increase in deployments have occurred. The Committee will continue its oversight of OST in the 107th Congress to ensure that DOE's \$3 billion investment in OST results in cheaper, faster and safer cleanups throughout the DOE nuclear waste complex.

FEDERAL ENERGY MANAGEMENT PROGRAM

Current law directs Federal agencies to cut their energy consumption by 20 percent through 2000 and 30 percent through 2005. The Committee will examine whether Federal agencies met the goals for 2000, and whether Federal accounting of energy savings is accurate. The Committee also will examine ways the Federal government, as a major energy user, can further reduce its own consumption of energy.

DOE'S ALTERNATIVE FUELS PROGRAM

Current law directs DOE to develop an alternative fuels program that displaces 10 percent of petroleum motor fuels by 2000 and 30 percent by 2010. Currently, the United States uses alternative fuels for roughly four percent of its need, well short of the law's goals. The Committee will examine the alternative fuels program to determine why DOE has failed to meet these goals to date, whether DOE will meet the future goals, and whether reforms to the existing program are needed.

APPLIANCE STANDARDS

The Energy Policy and Conservation Act (EPCA) directs DOE to establish energy efficiency standards for various appliances and to consider revisions to these standards that would reduce pollution and save a significant amount of energy. During the 107th Congress, the

Committee will review standards issued by DOE and their impact on consumers, manufacturers, and conservation.

FEDERAL ENERGY DATA COLLECTION

The Energy Information Administration is a statistical agency of the Department of Energy. EIA provides policy-independent data, forecasts, and analyses to promote sound policy making, efficient markets, and public understanding regarding energy and its interaction with the economy and environment. In the past, EIA has provided useful information for a heavily regulated energy industry. In light of the national trend toward competitive energy markets, EIA is undertaking a comprehensive review of Federal data collection, analysis, and dissemination. The Committee will review these efforts to ensure that they strike the right balance between privacy concerns and the need for useful information to monitor and promote market development.

THE NUCLEAR REGULATORY COMMISSION

The mission of the Nuclear Regulatory Commission (NRC) is to ensure adequate protection of public health and safety through regulation of commercial nuclear power plants; non-power research; test and training reactors; fuel cycle facilities; medical, academic and industrial uses of nuclear materials; and the transport, storage and disposal of nuclear waste. The Committee will conduct oversight of how the Commission discharges these responsibilities, and whether the Commission is an effective regulator of nuclear facilities. The Committee will consider whether the Commission should be granted regulatory authority over DOE nuclear facilities, and will examine the Commission's licensing procedures for commercial nuclear power plants.

EPA'S IMPLEMENTATION OF OZONE AND PARTICULATE MATTER AIR QUALITY STANDARDS

The Committee has the responsibility to ensure that the Environmental Protection Agency (EPA) implements the Clean Air Act in accordance with statutory language and Congress' intent. In late 1999, the U.S. Court of Appeals for the District of Columbia Circuit invalidated certain elements of EPA's 1997 revisions to the national ambient air quality standards (NAAQS) for particulate matter and ozone. In Spring 2001, the Supreme Court is expected to rule on EPA's appeal of that case. Additionally, EPA is in the process of a statute-mandated five-year scientific review of the 1997 standards. Given the significance of these rules and programs to the environment and to States, local governments, and private entities, the Committee will continue its oversight of EPA's implementation of the revised NAAQS in the 107th Congress.

EPA'S DIESEL ENGINE CERTIFICATION PROGRAM

EPA and the Department of Justice are parties to a consent decree with the manufacturers of heavy-duty diesel engines for alleged Clean Air Act (CAA) violations. EPA claims that, for years, the manufacturers used a "defeat device" in their electronically-controlled engines that allowed the engines to pass the emissions test under urban driving conditions, while emitting levels of nitrogen oxide in excess of the regulatory standard when under highway driving conditions. The settlement raises concerns regarding the consistency and level of EPA's enforcement activities under the CAA. An additional issue is recent discord between EPA and the manufacturers regarding the emission performance required under the consent decree and proposed changes to the decree. During the 105th and 106th Congresses, the Committee requested and reviewed documentary information concerning this enforcement activity. The Committee will continue to monitor this situation in the 107th Congress

EPA'S REGIONAL HAZE PROGRAM

In April 1999, EPA established a program to address "regional haze" affecting visibility in Federal parks. EPA has indicated that its regional haze program gives States considerable flexibility to develop alternative implementation techniques to accomplish the visibility improvements required under the Clean Air Act. In early 2001, EPA issued a proposed regulation raising issues for the States' regional haze planning process. Given the significance of this program to the environment and to States, local governments, and private entities, the Committee will continue its oversight of EPA's regional haze program in the 107th Congress.

EPA'S IMPLEMENTATION OF GASOLINE AND DIESEL SULFUR STANDARDS

Last year, EPA issued regulations revising the sulfur content standards for both gasoline and diesel fuel used in motor vehicles. Both of these revised programs contained measures intended to increase flexibility to the regulated community and reduce costs, while achieving the environmental benefits required by the Clean Air Act. In the 107th Congress, the Committee will review implementation of gasoline and diesel fuel sulfur reduction programs to ensure that the flexibility and environmental benefits intended by EPA are achieved.

EPA'S NEW SOURCE REVIEW PROGRAM

During the 106th Congress, the Committee continued its examination of Clean Air Act regulations establishing EPA's "new source review" program. Among other things, this EPA program determines when alterations to existing facilities trigger a requirement that the facilities meet the air pollution standards for "new" facilities. To date, EPA has not issued formal recommendations for improvements to the new source review program. Given the significance of this program to the environment and to States, local governments, and private entities, the Committee will continue its oversight of EPA's new source review program in the 107th Congress.

MACT DEADLINES

The 1990 Clean Air Act Amendments (CAAA) required EPA to establish Maximum Achievable Control Technology (MACT) standards for over 180 different sources of hazardous

air pollutants. In order to ensure that these standards were set on a timely basis, the 1990 CAAA established 2, 5, 7 and 10-year deadlines for the promulgation of MACT standards, with the last deadline having occurred on November 15, 2000. EPA, however, failed to meet the statutory deadline for setting the majority of "10 year" MACT standards. The Committee will review the status of the MACT standards, including reasons why the statutory deadline was missed.

STATE FUNDING/FLEXIBILITY IN CLEAN AIR PROGRAMS

The Clean Air Act encourages cooperative activities by States and local governments for the prevention and control of air pollution. The Act authorizes, among other activities, training grants, research and development grants, and other financial assistance to air pollution control agencies and other appropriate public or private agencies. The Committee will review past implementation of these programs, the present level of effort and cooperation, and opportunities for future innovation.

ENVIRONMENT AND HAZARDOUS MATERIALS ISSUES

EPA MANAGEMENT AND OPERATIONS

During the 107th Congress, the Committee intends to continue its general oversight of the Environmental Protection Agency (EPA), including reviewing EPA's mission and identifying programs or initiatives that deviate from that mission, and evaluating the operation of the 10 regional offices and the interaction of the regional offices with each other and with EPA Headquarters. In addition, the Committee will review EPA's structure to learn whether the Agency is properly staffed to support its mission and objectives. The Committee also will review the Agency's budget and funding decisions, resource allocation, grants, research activities, enforcement actions, relations with State and local governments, and program implementation.

INNOVATIVE STATE ENVIRONMENTAL PROGRAMS

The Committee will continue to examine progress in innovation from the States' environmental programs, and evaluate whether there are Federal or State barriers to further success in these areas.

EPA'S OFFICE OF ENVIRONMENTAL INFORMATION

In 1998, EPA created the Office of Environmental Information to develop agency-wide information policies (including policies for handling sensitive and confidential information and providing Freedom of Information Act disclosure), and to manage more effectively the Agency's information systems and resources, such as EPA's key data bases and wide area networks. In the 107th Congress, the Committee will continue to actively monitor the Agency's efforts to improve the quality, accuracy, and usefulness of EPA's information resources, to reduce the paperwork burden imposed upon recipients of EPA data requests, and to improve integration of its information resources.

EPA CYBER SECURITY REVIEW

During the 106th Congress, the Committee conducted a detailed evaluation of computer security at EPA to determine the extent to which the Agency was adequately protecting its information systems and resources from loss, damage, misuse and unauthorized access. A detailed review of various Agency audits, policies, and plans by Committee staff revealed that the Agency had serious cyber-security problems. The General Accounting Office (GAO) reaffirmed that conclusion when it completed a comprehensive assessment of computer security at the Agency and found it riddled with security vulnerabilities. Thereafter, working with GAO and the Committee, EPA implemented a series of reforms designed to bolster its computer security. In the 107th Congress, the Committee will continue to oversee the Agency's efforts to respond to the deficiencies identified by the Committee and by GAO.

EPA'S ENVIRONMENTAL JUSTICE ACTIVITIES

In February 1998, EPA issued interim guidance setting forth how it would handle "environmental justice" claims filed with the Agency against the issuance of state environmental permits to industries located in certain areas. These claims generally allege that a specific state environmental permitting action discriminates against a class of citizens living near such sites, such as minority groups, who are protected under Title VI of the Federal Civil Rights Act. Many state and local government organizations have expressed concerns that EPA's approach to this issue may hurt urban revitalization efforts and the cleanup of contaminated "brownfields" by dissuading companies from seeking, or preventing States from issuing, permits in these areas, which often are in neighborhoods with large minority populations. The Committee raised concerns with EPA and sought information from the Agency about environmental justice matters during the 105th and 106th Congresses. The Committee intends to continue its oversight in the upcoming Congress in order to ensure that the views of States and other interested parties are considered in the final Agency decision on this important matter, and that EPA's actions in this regard do not negatively affect state and local urban revitalization efforts.

EPA'S BROWNFIELDS INITIATIVE

During the past several Congresses, the Committee has conducted extensive oversight of EPA's various brownfields-related programs. The Committee will continue to review progress in the programs, and whether EPA is properly managing them. The Committee intends to continue monitoring EPA's activities in this area during the 107th Congress.

EPA TESTING AND OTHER NON-STATUTORY INITIATIVES

Beginning in 1996, EPA launched a series of non-statutory testing initiatives to encourage the increased testing of new chemicals and products. These "voluntary" chemical testing initiatives include the High Production Volume Testing Initiative and the Children's Health Testing Initiative. In the 107th Congress, the Committee will monitor EPA's development and implementation of these, and similar, non-statutory initiatives.

EPA'S RELATIONSHIP WITH THE STATES

In a report released in January 2001, the General Accounting Office (GAO) identified EPA's relationship with the States as a "major performance and accountability challenge," citing disagreements over respective roles and responsibilities, priorities, and the proper conduct of Federal oversight. The Committee will monitor efforts by EPA to address this management challenge, including the progress of the National Environmental Performance Partnership System ("NEPPS"), which was created in 1995 to address these same issues.

THE SUPERFUND PROGRAM

In past Congresses, the Committee has conducted an extensive review of EPA's Superfund program, including evaluations of regional enforcement and implementation of the cleanup program, concerns identified by EPA's IG about program management, and EPA expenditures from the Superfund Trust Fund. In the 107th Congress, the Committee will continue its detailed review of the status and management of the Superfund program.

RESOURCE CONSERVATION AND RECOVERY ACT IMPLEMENTATION

The Committee will review EPA's relationship to the States' toxic waste cleanup programs, and whether Federal program reforms under the Resource Conservation and Recovery Act are necessary to expedite cleanups at toxic waste sites.

EPA RISK ASSESSMENT PRACTICES

The Committee will conduct oversight with respect to EPA risk assessment practices to ensure they are consistent with the "Best Management Practices" of the Office of Management and Budget, the Recommendations of the President's Commission on Risk Assessment and Risk Management, and the risk assessment provisions of the 1996 Safe Drinking Water Act.

SAFE DRINKING WATER ACT AMENDMENTS

During the 105th and 106th Congresses, the Committee examined EPA's implementation of the 1996 Safe Drinking Water Act Amendments. The Committee held hearings on the conduct and adequacy of safe drinking water research and state funding of drinking water programs. The Committee will continue its review of the 1996 Amendments and pay close attention to projections of an infrastructure "gap" between identified resources and identified needs for drinking water systems.

HEALTH ISSUES

HCFA'S MANAGEMENT AND OPERATIONS

The Health Care Financing Administration (HCFA) was created in 1977 in order to consolidate the administration of Medicare and Medicaid in one agency. The Committee will review various Medicare reform proposals, and conduct oversight of how the Agency currently operates and manages the delivery of health care to nearly 80 million Americans.

MEDICARE AND MEDICAID: WASTE, FRAUD AND ABUSE

The Committee will continue its efforts to identify and expose instances or patterns of waste, fraud, and abuse in the Medicare and Medicaid programs, or opportunities for such activities due to inadequate policies, procedures, or controls. This oversight will focus on a range of program areas, including those specifically described in this oversight plan.

PROBLEMS WITH THE MEDICAID PROGRAM

Medicaid, which receives funding from both States and the Federal government, pays for the health expenses of approximately 40 million Americans, consisting primarily of low-income individuals such as mothers with children, the elderly, the blind and other disabled persons. Committee hearings last year revealed that the cost of the Medicaid fraud problem could exceed \$17 billion every year. This year, the Committee will examine ways in which States could adopt more rigorous enrollment controls to keep unscrupulous providers out of their programs and improve their program integrity standards. The Committee also will examine whether specific Federal regulations may create disincentives for States to vigorously pursue fraud and abuse. In addition, the Committee will review the Section 1115 Medicaid waiver process, with respect to children's health insurance, assisted suicide, and other Medicaid-related matters.

HCFA'S MANAGEMENT OF ITS MEDICARE CONTRACTORS

The Committee will continue to assess HCFA's management of the fiscal intermediaries and carriers that are responsible for processing all Medicare claims and payments. Although HCFA provides overall policy guidance for the administration of Medicare, day-to-day operation of the program is dependent on contractors who process beneficiary claims and make Medicare payments to healthcare providers. The Committee's prior oversight revealed how several of these contractors fraudulently misrepresented their performance, submitted false financial data, rigged audits, and destroyed relevant documents in order to receive greater incentive payments from HCFA – and how HCFA failed to detect these activities due to lax oversight coupled with complex and often contradictory directives issues from HCFA's Headquarters and regional offices. In response, HCFA initiated significant efforts to reform its management of Medicare contractors, and has sought new authority to expand the types of entities that can serve as Medicare contractors. The Committee will continue to review HCFA's oversight of these contractors and examine the current contractor eligibility requirements and the Medicare claims payment system.

HCFA'S EFFORTS ON ANTI-FRAUD BILLING SOFTWARE

During the 106th Congress, the Committee conducted a review of HCFA's failure to implement pre-payment, anti-fraud software in its Medicare claims systems, despite years of reports by the Department of Health and Human Services Inspector General and the General Accounting Office suggesting that Medicare could save hundreds of millions of dollars annually by implementing software systems similar to those currently available in the private sector. HCFA recently took steps to evaluate such systems, and the Committee will monitor the agency's activities in this regard during the 107th Congress.

HCFA'S IMPLEMENTATION OF THE BALANCED BUDGET ACT, THE BALANCED BUDGET REFINEMENT ACT, AND

THE BENEFITS IMPROVEMENT AND PROTECTION ACT

During the 107th Congress, the Committee will continue to monitor HCFA's implementation of the Balanced Budget Act of 1997 (BBA), as well as the subsequently passed Balanced Budget Refinement Act (BBRA) and the Benefits Improvement and Protection Act (BIPA). Many of the changes required by these bills will help modernize Medicare, save money, and open the program to a wider range of private health plans. In addition, these bills contain provisions having an impact on the Medicaid and State Children's Health Insurance Program as well.

PRESCRIPTION DRUGS

The Committee will conduct a comprehensive examination of the pharmaceutical market and policies that affect it. The review will examine methods to encourage additional access to coverage for Medicare beneficiaries and price competition consistent with equitable and efficient policies to promote innovation. The review will include taxpayer-funded research, product review and approval, and post-marketing activities.

MEDICARE SELF-REFERRAL LAWS

Originally enacted in 1989 and amended in 1993, the physician self-referral laws prohibit a physician from making a referral to a provider for certain designated Medicare services if the physician has a financial relationship with that provider. These laws were designed to reduce overutilization and gaming of the Medicare program. HCFA recently issued complex and lengthy final regulations on this issue, seven years after the law's passage, but many questions have been raised about how the self-referral laws will be interpreted and enforced by HCFA. This year, the Committee will continue to oversee the implementation of the self-referral laws in a manner that assures program integrity and minimizes physicians' regulatory compliance costs.

TELEMEDICINE/ON-LINE HEALTH CARE

During the 105th and 106th Congresses, the Committee followed the development of a number of on-line health care issues. In particular, a growing number of companies are now distributing prescription pharmaceuticals on-line, and some are moving into the realm of providing health care advice and diagnosis without physically meeting the patient. The Committee will continue to examine the growth of on-line health care, its costs and benefits, and the variety of new consumer protection issues that have arisen in relation to this emerging field.

Relatedly, despite tremendous growth in telemedicine activity, current law may continue to impede this promising new health care delivery mechanism. In the 106th Congress, the Committee focused on ways to eliminate barriers to the practice of telemedicine in the Medicare program. This year, the Committee will expand this oversight to include the Medicaid program as well as private payors. Specifically, the Committee will examine the differences in state licensing requirements for telemedicine, and whether modernization of these rules could improve patient care.

THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM

The Balanced Budget Act of 1997 amended the Social Security Act to add Title XXI -- The State Children's Health Insurance Program (SCHIP). Under this Title, funds are provided to States to enable them to initiate and expand health assistance to uninsured, low-income children. SCHIP targets children in families whose income levels exceed Medicaid thresholds, but who lack private insurance. States may receive funds by providing child health assistance through a separate state-only SCHIP program, an SCHIP-financed Medicaid expansion, or a combination of the two. HCFA is charged with approving and reviewing States' plans for implementing the SCHIP program prior to their receiving SCHIP funds. The Committee will continue to oversee HCFA's implementation of this program.

CANCER RESEARCH

The National Institutes of Health and other agencies have made tremendous progress in the "War on Cancer." Scientists have been able to learn about the fundamental processes of cellular development, maintenance, and proliferation, and how these processes can be corrupted to cause cancer. The Committee will continue to oversee cancer research to help ensure that Federal efforts are properly managed, and that these recent scientific advances on the prevention, detection, and treatment of cancer are fully used to the benefit of all Americans.

In particular, the Committee successfully pushed last year for the enactment of laws expanding activities relating to the prevention, surveillance, and treatment of cervical cancer. Cervical cancer is most often caused by the Human Papilloma Virus, a viral infection that kills more women in America than even HIV, the cause of AIDS. An estimated 15,000 cases of cervical cancer are diagnosed in the United States each year, and 5,000 women die from the disease annually. Worldwide, cervical cancer affects 500,000 women each year and, after breast cancer, it is the second most common malignancy found in women. Continuing oversight of the Centers for Disease Control and HCFA, the Federal agencies charged with implementation of these laws, is necessary.

HUMAN GENOME DEVELOPMENTS

The Human Genome Project is an international effort begun in 1990. The goals of the project are to discover all the approximate 100,000 human genes, make them accessible for further biological study, and determine the complete sequence of the three billion DNA subunits. In June 2000, the completion of the "rough draft" of the human genome sequence was announced. Scientists involved in the Human Genome Project reported that this rough draft consists of overlapping fragments covering 97% of the human genome, and a sequencing of 85% of the genome. This breakthrough means that, within years, doctors may be able to discern individual susceptibilities to common disorders, allowing the design of a program of effective individualized preventive medicine or cures. Because of the importance of this discovery, the Committee will continue to oversee this Project.

ORGAN ALLOCATION REFORMS

The National Organ Transplant Act (NOTA) governs organ distribution policy in the United States. Since the law's enactment, the Secretary of Health and Human Services (HHS)

has contracted with an organ procurement and transplantation network (OPTN) to determine how the organs are to be allocated. In 1998, the Clinton Administration promulgated a rule that would, in effect, transfer final authority over organ distribution policies from the OPTN to the Secretary. The Committee will review implementation of the rule to insure that state and regional organ procurement and transplantation systems operate in the best interests of current and future patients.

THE NATIONAL PRACTITIONER DATA BANK

The National Practitioner Data Bank (NPDB) was created in 1990. The purpose of the NPDB is to serve as a repository for information pertaining to medical practitioners. The information in the NPDB contains a listing and description of disciplinary actions taken by medical societies and state licensing boards, medical malpractice payments, clinical privileges actions, and Medicare and Medicaid program exclusions. By law, the information in the NPDB is not available to the public. The Committee will continue to evaluate ways to improve the data gathered in the data bank and make it more useful for medical boards, hospitals, and insurers.

ADOPTION

The Committee will continue to conduct oversight of adoption promotion programs within the purview of the Department of Health and Human Services (HHS). In conducting this review, the Committee will determine the extent to which HHS programs have an impact on increasing the number of adoptions. The oversight activities associated with a review of adoption programs will include assessment of relevant authorizing statutes, Federal regulations, program guidelines and practices, and statistical data.

Such a review will include the adoption awareness programs authorized by the Children's Health Act of 2000, which provides for grants to adoption organizations to train the staff of eligible health centers in providing adoption information and referrals based on guidelines developed by the adoption community. It further mandates that, not later than one year after the date of the enactment of the Children's Health Act of 2000, the Secretary shall submit to the appropriate committees of the Congress a baseline report evaluating the extent to which adoption information and referrals are provided by eligible health centers. The Act also mandates a second report to Congress on the effect of the adoption information and referral training. Oversight of the baseline study and effects of the training program are needed to ensure HHS compliance with Congressional intent.

PALLIATIVE CARE

As the American health system has reduced the rates of death by trauma or infection, long-term causes of death accompanied by persistent and debilitating pain are on the increase relative to other causes of death. But there is concern in the medical and patient communities that pain control has been a neglected area of inquiry in the health profession. The Committee will review programs within its jurisdiction to understand how better pain management can be a priority objective.

THE HEALTHY START PROGRAM

Authorized by the Children's Health Act of 2000, Healthy Start is designed to reduce the rate of infant mortality and improve perinatal outcomes by providing grants to areas with a high rate of infant mortality and low birth weight infants. This Act authorizes a new grant program for research and additional services to enhance access to health care for pregnant women and infants, including increased access to prenatal care, ultrasound services, and prenatal surgery. The Committee plans to conduct oversight of the implementation of this Act.

IMPLEMENTATION OF THE HEALTH CARE PRIVACY RULE

Last year, the Department of Health and Human Services (HHS) issued regulations, required by law, addressing the confidentiality of individual identifiable health information stored or transmitted electronically. These regulations are not yet legally binding, however, and will be the subject of Committee oversight in the 107th Congress.

HHS PROGRAMS AFFECTING CHILDREN AND FAMILIES

The Committee will continue to conduct oversight of the Department of Health and Human Services (HHS) grant programs that affect the health of children and families. According to some estimates, HHS funding for programs related to the health of children and families is more than \$10 billion annually. The Committee's review will evaluate where the money is going, whether it is being spent effectively, and the extent to which these programs are consistent with statutory requirements and Congressional intent. In conjunction with the Committee's oversight of these HHS grant programs, the Committee also intends to conduct oversight of the various HHS agencies that have responsibility for children and family-related programs. For example, the Centers for Disease Control and Prevention (CDC) and the National Institutes of Health (NIH) conduct extensive studies of youth risk behaviors, including alcohol, drugs, tobacco, sex and violence. In addition, these two agencies are increasingly active in establishing health policy programs in areas such as school health, HIV education, pregnancy and sexually transmitted disease (STD) prevention. The Committee intends to review the effectiveness of these programs in the 107th Congress.

IMPLEMENTATION OF THE WELFARE REFORM ACT OF 1996

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, commonly known as the Welfare Reform Act, increased the accountability of parents in the welfare system by imposing strict work requirements and eligibility time limits on welfare recipients, and by establishing and enforcing strict child support obligations on non-custodial parents. The Committee will continue to conduct oversight of the role of the Department of Health and Human Services' (HHS) Child Support Enforcement efforts in implementing the Welfare Reform Act. In particular, the Committee will assess the effectiveness of the Child Support Multi-Agency Investigative Team (CSMAIT) in identifying and locating non-custodial parents who have not fulfilled their child support obligations. The Committee also will continue its review of the Title V Abstinence Education program, which was authorized by the Welfare Reform Act. Prior oversight identified problems and concerns in the implementation of this program, which the Committee will continue to assess in preparation for reauthorization of welfare reform in the 107th Congress.

DRUG ABUSE TREATMENT AND PREVENTION

In the 105th and 106th Congresses, the Committee worked to broaden the war on drug abuse by focusing on innovative solutions to the area of drug treatment. Recent reports have raised concerns about the effectiveness of drug abuse rehabilitation programs, especially among adolescents seeking drug treatment. The Committee will conduct oversight of the incentives for developing anti-addictive medications and the potential of other methods of drug addiction treatment. The Committee also will inquire into Department of Health and Human Services (HHS) funding for research in the drug abuse area, and will evaluate state and local initiatives that may provide insights on successful programs. The Committee will conduct oversight of drug abuse programs and illegal drug use in order to determine the effectiveness of existing HHS efforts to reduce such usage, and will examine the relationship between HHS programs and other Federal anti-drug initiatives, and their overall impact on public health.

FALSE CLAIMS ACT ENFORCEMENT

During the 105th and 106th Congresses, the Committee conducted oversight of the Department of Justice's (DOJ) application of the False Claims Act in the fight against waste, fraud, and abuse in the healthcare industry. In response to the Committee's review, DOJ issued new guidance on fair and appropriate use of the False Claims Act in this area. In the 107th Congress, the Committee will monitor DOJ's application of the False Claims Act in order to evaluate the impact of the new guidelines.

THE NATIONAL INSTITUTES OF HEALTH

The National Institutes of Health (NIH), through its 24 Institutes, Centers and Divisions, supports the research of scientists in universities, medical schools, hospitals, and research institutes throughout the country. The Committee will review NIH's management structure and research grant programs, and assess how to improve the overall efficiency and accountability of the Institute.

PUBLIC EDUCATION ON HEPATITIS C

The Committee's past oversight revealed that the Surgeon General and the Centers for Disease Control and Prevention had failed to launch a promised nationwide public campaign to educate persons infected with the deadly Hepatitis C virus infection. This virus affects nearly four million Americans, many of whom do not know they have it and thus are not taking actions that could save their lives. In response to the Committee's oversight, the Surgeon General joined with Members of the Committee to launch a Hepatitis C public education campaign through Congressional communications to constituents. The Committee plans to review the Hepatitis C problem further, and whether a more extensive national public education campaign is still needed.

BIOENGINEERED FOODS

Bioengineered foods are crop plants created for human or animal consumption using the latest molecular biology techniques. The genetic code of these plants have been modified in the

laboratory to enhance desired traits, such as increased resistance to herbicides or improved nutritional content. The Food and Drug Administration (FDA) ensures the safety of all domestic and imported foods for man or other animals, and bioengineered foods must adhere to the same standards of safety that apply to their conventionally-bred counterparts. FDA's view is that bioengineered foods are substantially equivalent to unmodified "natural" foods, and therefore no FDA pre-approval is necessary prior to marketing. However, since 1992 FDA has had a voluntary policy pursuant to which producers meet with FDA to review the science being used to alter the foods. FDA recently proposed a rule that would make the voluntary process established in 1992 a mandatory process. Further, questions have been raised about whether bioengineered foods should have special labeling requirements. The Committee intends to review such matters in the 107th Congress.

FDAMA/PDUFA IMPLEMENTATION

In 1997, Congress enacted the Food and Drug Administration Modernization Act (FDAMA). Contained within that legislation was a five year reauthorization of the Prescription Drug User Fee Act (PDUFA), which was originally passed in 1992. FDAMA changed the FDA mission statement to ensure that FDA emphasizes the timeliness of FDA's review of foods, drugs, devices and cosmetics, and the Act allowed for third-party review of certain medical devices if the quality of the review would not be compromised. To ensure that FDA is accomplishing its mission to approve safe and effective products in a timely manner, and that it is hiring the personnel necessary to accomplish this objective, continued oversight of FDAMA and PDUFA implementation is necessary. In particular, the Committee intends to review the recent slow down in the drug approval process, and how to promote innovation while maintaining public confidence in drug safety.

The Committee also will continue its oversight work to ensure seriously-ill patients have early access to treatment, especially in the cases of promising treatment for incurable, life-threatening diseases. In consultation with FDA and other public health resources, the Committee will review ways to provide more information to patients on clinical trials and other related matters.

IDENTIFICATION OF FDA-REGULATED ENTITIES

Two recent reports suggest that FDA has failed in its responsibility to identify entities subject to its regulation. A January 2001 Office of Inspector General report, and a January 2001 General Accounting Office report both found that FDA was unable to even identify and locate all the tissue banks, medical device reprocessing facilities, and foreign pharmaceutical facilities that it was supposed to inspect. The Committee intends to review these matters during the 107th Congress in order to ensure that FDA can promptly and fully identify the entities it is supposed to be regulating.

IMPORTED DRUGS

Over the last decade, there has been a surge in shipments of drug products from overseas.

With brand name prescription drugs costs so high, many Americans have come to rely on cheaper generic alternatives. Nearly 80 percent of drugs in the U.S. (especially generic drugs) have ingredients that have been manufactured in other countries. This trend has implications for the public health and the ability of FDA to ensure the safety and efficacy of such imported drugs. In connection with this area, the Committee has been examining FDA's foreign drug inspections, the Mutual Recognition Agreement (MRA) between the U.S. and the European Union on drug inspections, and the problem with counterfeit bulk drugs.

The Committee's prior investigation into the FDA's oversight of counterfeit foreign bulk drugs uncovered a total failure by FDA to identify and pursue counterfeit drug makers and distributors, despite internal FDA documents highlighting the dangers posed by specific imported medicines. The Committee plans to continue monitoring the problem and FDA's commitment to significantly upgrade its information technology and enforcement actions on imported drug products.

THE SPREAD OF MAD COW DISEASE

Federal health officials are getting increasingly worried about mad cow disease because of new evidence of the spread of the disease throughout Europe. It is believed that millions of cows will have to be destroyed to contain the spread, and the concern is that some European farmers will try to contain their losses by selling the tainted meat under false labeling, transshipment, or selling or commingling some of the tainted beef to be used in animal feed or dietary supplements in the U.S. In January 2001, FDA reported that nearly a quarter of large companies involved in manufacturing animal feed are not complying with regulations meant to prevent the emergence and spread of mad cow disease. Because of FDA's weak import controls (see Imported Drugs above) and lack of adequate oversight of the animal feed industry, the U.S. may be vulnerable to imported European products with mad cow disease. The Committee will conduct oversight to ensure that the Federal government is adequately responding to this potential public health threat.

STUDIES OF DRUGS IN CHILDREN

In 1997, as part of the FDA Modernization Act, Congress enacted a new law that provides marketing incentives to manufacturers who conduct studies of drugs in children. This law, which provides six months market exclusivity in return for conducting pediatric studies, is commonly known as the pediatric exclusivity provision. The purpose of the provision was to address the dearth of information about the effects of drugs and biological products in children. The provision has a sunset date of January 1, 2002. FDA recently reported to Congress that the pediatric exclusivity provision has been highly effective in generating pediatric studies on many drugs and in providing useful new information in product labeling. However, FDA contends that some categories of drugs and some age groups remain inadequately studied, despite the new incentives. The Committee will review the nature of these study gaps and whether there is a public health need to address them through appropriate modifications to current law.

HUMAN RESEARCH SUBJECTS IN CLINICAL TRIALS

During the last Congress, the Committee investigated the adequacy of Federal oversight with respect to the protection of human research subjects in gene transfer clinical trials. One question reviewed by the Committee was whether financial conflicts of interest may affect the conduct of gene transfer clinical trials. The Committee found that FDA did not gather or maintain aggregate data from on-site inspections of clinical sites about financial conflicts of interest, but was actively considering such a collection of data. The Committee will continue to monitor this area and oversee the implementation of recommendations by the HHS Inspector General on strengthening institutional review boards, improving recruiting practices for human research subjects, and strengthening FDA oversight of clinical investigators.

Recently, in January 2001, FDA proposed a rule that would make safety data about gene transfer experiments available to the public. Under the proposal, FDA would disclose certain types of information now regarded as confidential. Such information includes how animals fared when given the experimental drug and any serious side effects suffered by people enrolled in human trials of the medicines. This proposed rule is in response to concern about the adequacy of Federal oversight of experimental medicine after a death in a gene transfer experiment, but concerns have been raised that the proposed rule might have negative consequences for such research. Given the potential that gene therapies hold, the Committee will review this matter to ensure that the recently proposed rule is promulgated in a fashion that maximizes public health.

FOOD SAFETY

The Food Quality Protection Act of 1996 (FQPA) directed the Environmental Protection Agency (EPA) to reassess the safe level of all pesticide residues allowable on food crops using updated risk assessment standards. The law also required EPA to create an endocrine disruptor screening program. In the 107th Congress, the Committee will continue to actively review EPA, FDA, and the U.S. Department of Agriculture's efforts to implement and enforce the new law. The Committee will continue its detailed review of FQPA implementation, focusing on the agencies' FQPA policies, the scientific validity of the tolerance reassessments, and the impact of individual reassessment actions.

The Committee also will review food safety programs at the FDA. Particular emphasis will be placed upon the adequacy of inspection procedures for imported agricultural products.

FDA CYBER SECURITY

In July 1999, the Committee initiated a detailed review of cyber security at FDA. In the 107th Congress, the Committee will continue its evaluation of FDA's computer security programs and review the Agency's ongoing efforts to improve its cyber-security protections.

TELECOMMUNICATIONS ISSUES

MANAGEMENT AND OPERATIONS OF THE FEDERAL COMMUNICATIONS COMMISSION

Congress created the Federal Communications Commission (FCC) in 1934 for the

express purpose of regulating interstate and foreign communication via wire and radio. In 1996, Congress passed the most significant alteration of existing telecommunications law by enacting the Telecommunications Act of 1996. However, while the Telecommunications Act moved the telecommunications industry toward greater deregulation, it did little to alter the structure and functions of the FCC. Accordingly, the Commission has been implementing the Telecommunications Act of 1996 with a pre-1996 mind-set. In particular, the Commission has imposed regulations or provided regulatory relief for some parts of the telecommunications industry while not doing the same for other parts of the industry. This lack of regulatory parity is creating financial benefits and arbitrage opportunities for select parts of the telecommunications industry. Further, it is creating barriers to the development of free and open competition in the industry. The Committee will conduct a top-to-bottom review of the FCC to determine ways to improve its structure, functions, mission, operations and management. The Committee will examine ways to reform the FCC, including altering existing law or promoting reform from within the FCC using existing authority. The Committee will also conduct a thorough examination of FCC rules to determine whether they may be outdated, unnecessary, or stifling the development of competition and new services. Moreover, the Committee will evaluate complaints that the FCC is too bureaucratic, overreaching, and over-regulatory. In particular, the Committee will evaluate the Commission's role in reviewing mergers of companies in which there is a change in ownership or control of spectrum, including the slow pace with which the Commission has reviewed mergers and the demands placed on businesses participating in the FCC's merger review process.

THE NETWORKS' ELECTION NIGHT COVERAGE

The Committee will continue its investigation into the numerous errors, irregularities, and inconsistencies in the network's reporting of results in the Presidential election on election night, November 7, 2000. Specifically, the Committee will review whether changes in the networks' policies and practices with respect to gathering and reporting of polling and voting data are necessary to ensure a fair election outcome and maximize voter turnout.

ICANN

The Internet Corporation for Assigned Names and Numbers (ICANN), which governs the management and registration of "generic top-level domain" names (gTLDs) such as .com or .gov., recently completed the process of approving seven new Internet suffixes. The application and selection process for the new gTLDs has raised controversy as some applicants argue that the gTLD selection process was unfair. The Committee plans to examine whether the selection process was open, fair, and competitive. In addition, the Committee plans to examine the structure and operations of ICANN, its effort to privatize the domain name system, and its effort to determine the rightful ownership of the root server.

DIGITAL TELEVISION

In the Balanced Budget Act of 1997, Congress directed that the FCC authorize broadcasters to convert from analog to digital signals by 2006, and possibly beyond 2006 (in markets where a sufficient number of households cannot access a digital television signal). While

many digital stations already are in operation in major metropolitan areas, the overall conversion to digital television has been criticized as being slow, unorganized and unrealistic. The FCC is currently in the process of considering whether "must carry" rules should apply to digital television channels during the transition, and if so, to what extent. The Committee intends to monitor the FCC's process on this and related matters in order to ensure the rapid deployment of digital television in all areas of the country in accordance with the schedule set forth in the Balanced Budget Act of 1997. Further, the Committee plans an in-depth review of the transition to digital television to determine what barriers exist to its full development and deployment.

AVAILABILITY OF BROADBAND TECHNOLOGIES

The increase in use of the Internet and electronic commerce has led to an increase in the demand for faster networks and faster delivery of content. Today, consumers and businesses are frustrated by the slow speeds for connecting to and accessing information from the Internet. In addition, the creation of new advanced Internet applications – such as digital music and videos – creates a further demand for faster Internet connections. While new technologies and faster networks are being developed and deployed in some parts of the country and with some success, barriers exist that prevent these technologies from being available to all consumers. The Committee will examine all barriers -- whether regulatory, market-based, or statutory in nature – to determine what factors are preventing the full deployment of broadband technologies to the American people. In particular, the Committee will examine whether additional deregulatory steps can be taken to improve the speed of broadband deployment nationwide.

TECHNOLOGY IN EDUCATION

As the technology industry continues to develop new and innovative products and services, the educational community is finding that these products and services can have a positive impact on the education of our students. U.S. children can benefit from the vast array of telecommunications and Internet technologies available today, if they are implemented into the academic curriculum properly. For instance, the Internet brings a wide array of information from various sources that can be extremely helpful to students conducting research. Today, the Federal government runs a number of programs targeted at improving the use of technology in classrooms and by America's youth. These programs, however, often require burdensome paperwork requirements that can delay or prevent funding from reaching the intended parties. Further, these programs often target specific technologies or can be used for specific purposes only, which can be limiting and frustrating to school administrators and teachers. The Committee will examine the different Federal education technology programs with a goal of determining the best way to combine the many differing and competing programs into a single funding mechanism. Further, the Committee will examine ways to ease the application process to obtain funding for such purposes.

EFFICIENT USE OF SPECTRUM AND SPECTRUM MANAGEMENT

Management of spectrum within the U.S. is shared between the FCC (governing private sector use of the spectrum) and the National Telecommunications and Information

Administration (NTIA) (governing governmental use of the spectrum). In the U.S., virtually all of the usable spectrum already has been allocated for a particular purpose. The recent popularity and growth of the wireless telecommunications industry has increased demand for the allocation and assignment of additional spectrum in order to provide new services, such as third generation ("3G") wireless services. The tension created by the current shortfall has a significant impact on the U.S. economy and the ability of U.S. wireless providers to compete with wireless companies in other nations that are rushing to offer new wireless services. The Committee plans an extensive and comprehensive review of spectrum management functions to ensure efficient use of spectrum, particularly by Federal government users. In addition, the Committee will review efforts to promote spectrum sharing that may be beneficial to the promotion of new wireless technologies. Further, the Committee will review current spectrum policies, such as the FCC's spectrum cap, to determine whether these policies are still appropriate in today's marketplace.

BROADCAST DEREGULATION

The broadcasters have traditionally been heavily regulated by the FCC due to the scarcity of spectrum available in the U.S. Both the Telecommunications Act of 1996 and the Balanced Budget Act of 1997 mandated that the FCC liberalize its broadcast ownership rules. While the FCC has made some progress in reducing broadcast regulations, there still are at least two major areas that remain heavily regulated by FCC rules: the national ownership cap and the newspaper/broadcast station cross ownership restriction. The national ownership cap, which sets a maximum percentage of homes that a national network may reach (35%), is a key point of controversy between the networks and their affiliates. The cap was set by the Telecommunications Act of 1996, but authority was given to the FCC to relax the cap on a going forward basis.

In 1975, the FCC adopted a regulation prohibiting the grant of a broadcast license to anyone who owns a newspaper in the same market. The newspaper publishing companies note that almost every other broadcast ownership regulation has been updated in the past several years, except for the newspaper ownership prohibition. However, supporters of the restriction point to the consolidation of news sources available within a market as the reason to keep this regulation in place. The Committee intends to closely monitor the FCC's implementation of these two provisions, and to evaluate whether it faithfully comports with Congressional intent.

COPYRIGHT RELATIONSHIP TO E-COMMERCE

The exponential growth of the Internet raises questions about the protection of intellectual property that never existed in an analog world. Because digital copies are as perfect as originals, questions arise as to how to protect copyrighted works in a digital age. These fundamental questions are critically important to the content providing community, including the motion picture industry, the recording industry, and the software industry -- as they all create material protected by copyright. However, overprotection of copyrights may stifle e-commerce and the further development of the Internet. The Committee intends to examine how developing technologies affect traditional copyright protections. Further, the Committee will determine whether traditional copyright protections warrant any changes, and whether new mechanisms are necessary to strike the proper balance between protecting works and encouraging the continued growth of the digital economy. Specifically, the Committee will examine the recent explosion of Internet music-sharing products (e.g., Napster), and the development of similar technologies for

the sharing of movies.

THE CORPORATION FOR PUBLIC BROADCASTING

Congress created the Corporation for Public Broadcasting (CPB) in the Public Broadcasting Act of 1967. Historically, the Committee has been charged with monitoring the activities of the CPB and authorizing appropriations. The Committee will review the level of Federal funding necessary for the continuation of public broadcasting. The Committee also will examine issues relating to the efficiency of CPB, the Public Broadcasting Service, and the National Public Radio. Furthermore, the Committee intends an in-depth examination of the estimated transition costs of the public broadcasters for converting from analog to digital television.

CYBER CRIME/CRITICAL INFRASTRUCTURE PROTECTION

American and multinational businesses are becoming more reliant on the infrastructure of the Internet and other electronic communications networks to conduct valuable transactions and to communicate. A well placed "attack" on this infrastructure could have a devastating impact on the American public and could paralyze vital functions. In addition, smaller attacks, such as hacking into a company's network, could be very costly and disruptive as well. The Committee will examine the existing and potential threats to this existing infrastructure, whether law enforcement is sufficiently combating existing and potential threats to the appropriate networks, whether the industry is prepared to handle threats to the infrastructure, whether the current agencies of the Federal government are properly coordinating with one another, and whether current law needs to be altered to deal with these issues.

WIRELESS PRIVACY/WIRELESS WIRETAPPING

Personal wireless telecommunications devices are currently converting from analog to digital technologies. The increased capabilities of digital communications create new issues that are not present in the analog environment. For instance, the law enforcement community is presented with new technological obstacles when exercising its wiretapping authority. Further, privacy of wireless communications can be compromised when wireless tracking and location information is provided to wireless companies and then potentially shared with third parties. The Committee plans an extensive review of the policy impact of the conversion to digital communications. This review will include an examination of the costs and technological needs of the law enforcement community with regards to the Communications Assistance for Law Enforcement Act (CALEA). This examination also will look at specific efforts proposed to improve the privacy protections afforded wireless telecommunications users with respect to location information.

VIOLENT CONTENT IN THE MEDIA

Over the past few decades, American media outlets have increased the amount of violent content, including gratuitous violence, within the overall programming offered to consumers. A number of recent studies detailing the effects media violence has on American society, especially on children, have concluded that there may be a link between the violent nature of media content and violent behavior. In addition, while opinions vary, the popular view today is that media

violence does, in some way, influence impressionable young viewers. The Committee intends to review the practices and policies of all media sources, including television, motion pictures, audio recordings, video games, radio, and the Internet, to evaluate differing approaches to violent content. The Committee will review existing studies on the effects of media violence to determine their accuracy and methodology. Further, the Committee plans to examine the reasons for the inclusion of increased violent content in media programming, and different ways to empower parents to protect their children from such content.

FCC CYBER SECURITY

The FCC is privy to sensitive and proprietary information provided by the telecommunications industry. Further, the Commission generates vast amounts of internal documents and work product of a sensitive, non-public nature. Protection of the Commission's computer network is thus important to ensure that non-public information is not shared with unintended parties. For instance, as a result of a press leak regarding a high-profile merger before the Commission last year, the FCC examined whether the information was obtained through a breach in computer security. The Committee will examine what steps the Commission takes to protect the integrity and security of its network systems and confidential data, and whether further efforts in this area are necessary.

THE STATE OF THE HIGH-TECH INDUSTRY

Over the last several years, the growth of e-commerce has been a significant catalyst for the success of the American economy overall. The high tech industry has seen considerable growth and innovation that has had ripple effects throughout many sectors of American business. However, no longer fueled by a turbo-charged Nasdaq or exuberant consumer spending, the tech-driven economy has experienced recent fluctuations. Recently, many "dot com" companies experienced lower than expected profits and defaults on debt, a trend that also has affected another pillar of the new economy -- telecommunications. Experts differ over whether the high tech boom is officially over or merely delayed for a short period of time. The Committee will examine the causes and potential solutions to the economic malaise affecting the e-commerce industry. Further, the Committee will examine the success and failures of specific high tech industries to determine if there are any discernable patterns.